New Hampshire

Department of Agriculture,

Markets & Food

Finding REAL Bargains by Comparing Unit Prices April 2004

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In many weekly supermarket flyers, the mantra of "buy one—get one free" is common. The implication is that we are getting something for nothing, or receiving a deal that we can't pass up. The only way one knows if any "buy one--get one free" offer is a deal is to check the unit price. For example, two one-pound bags of potato chips for \$2.99 (buy one at \$2.99, get the other one free) have a unit price of \$1.50 a pound. Check the unit prices of competing products and determine for yourself what is the real best buy. The same goes for promotions that offer "one free bottle of, let's say, vitamins with the purchase of two." What does that mean? More meaningful would be to know that a "bottle" is equal to one months supply.

Other potentially confusing terms are "value pack", "economy size", "bargain pack", etc. These terms imply that a price advantage is accorded the purchaser by reason of the size of that package or the quantity of its contents. This is not always the case. Compare unit prices to ensure that you are getting the best value. For these "economy" packages, Federal regulations require that:

- At the same time, the same brand of the commodity is offered in at least one other packaged size or labeled form.
- Only one packaged or labeled form of that brand of commodity labeled with an "economy size" representation is offered.
- The commodity labeled with an "economy size" representation is sold at a unit price that is substantially reduced (i.e., at least five percent) from the actual price of all other packaged or labeled units of the same brand offered simultaneously.

Finally, remember that bigger is not always better. A larger size container or package does not always mean a better buy. There is a term known as "quantity surcharging". For example, most tuna fish in the six ounce cans have a significantly lower unit price than the next larger size cans. This may also be the case for ketchup, cereals, laundry detergents and many other popular commodities.

If saving money is important to you, compare unit prices. For more information, contact:

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